	Item No.	**10**
	Meeting Date:	**Wednesday 9th September 2026**

Glasgow City
Integration Joint Board
Finance, Audit and Scrutiny Committee

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Glasgow City Integration Joint Board Budget Monitoring for Month 4 and Period 4 2026/27

Purpose of Report:	This report outlines the financial position of the Glasgow City Integration Joint Board as at 24th July 2026 for Council and 31st July 2026 for Health and highlights any areas of budget pressures and actions to mitigate these pressures.

Background/Engagement:	The financial position of Glasgow City Integration Joint Board is monitored on an ongoing basis throughout the financial year and reported to each meeting of the Board.

Governance Route:	The matters contained within this paper have been previously considered by the following group(s) as part of its development. HSCP Senior Management Team ☐ Council Corporate Management Team ☐ Health Board Corporate Management Team ☐ Council Committee ☐ Update requested by IJB ☐ Other ☐ Not Applicable ☒

Recommendations:	The IJB Finance, Audit and Scrutiny Committee is asked to: a) Note the contents of this report.

Relevance to Integration Joint Board Strategic Plan:

This report outlines expenditure against budget in delivery of the range of health and social care services described within the Integration Joint Board Strategic Plan 2023-28.

Implications for Health and Social Care Partnership:

Reference to National Health & Wellbeing Outcome:	Not applicable at this time.
Personnel:	Not applicable at this time.
Carers:	Expenditure in relation to carer's services is included within this report.
Provider Organisations:	Expenditure on services delivered to clients by provider organisations is included within this report.
Equalities:	Not applicable at this time.
Fairer Scotland Compliance:	The expenditure on services supports the delivery a Fairer Scotland.
Financial:	All financial consequences are detailed within this report.
Legal:	Not applicable at this time.
Economic Impact:	Not applicable at this time.
Sustainability:	Not applicable at this time.
Sustainable Procurement and Article 19:	Not applicable at this time.
Risk Implications:	The volatility of the drugs supply market, demand for services, cost of living crisis, the ongoing impact of the homelessness pressures and inflation continue to represent a significant financial risk to the IJB. This level of risk will require the IJB to keep its financial strategy under review to ensure services are delivered within the funding available. This financial risk will be monitored during 2026/27 and reported through the financial performance reports to the IJB and IJB Finance, Audit and Scrutiny Committee. The IJB is required to hold a contingency which is sufficient to enable the IJB to respond to unforeseen events and emergency situations and continue to remain financially viable. The IJB started 2026/27 with a general reserve of £33.108 million which is 1.8% of net expenditure and below the target set at 2%.

Implications for Glasgow City Council:	The Integration Scheme clearly outlines the responsibilities of Partners and the IJB if spending exceeds budget plans. Partners will be kept updated on financial performance during the year. The net cost of Homelessness to date is £16.670 million. The Council has provided the IJB with a commitment that the net pressure arising from homelessness costs will be fully funded. This report builds in the funding from the Council.

Implications for NHS Greater Glasgow & Clyde:	The Integration Scheme clearly outlines the responsibilities of Partners and the IJB if spending exceeds budget plans. Partners will be kept updated on financial performance during the year.

1. Purpose

1.1. This report outlines the financial position of the Glasgow City Integration Joint Board as at 24th July 2026 for Council and 31st July 2026 for Health and highlights any areas of budget pressures and actions to mitigate these pressures.

1.2. It is based on information contained in the respective financial systems and includes accruals and adjustments in line with its financial policies.

2. Summary Position

2.1. Net expenditure is £2.133 million higher than budget to date.

2.2. Appendix 1 shows the current budget variance by both care group and subjective analysis.

3. Budget Changes

3.1 Throughout the financial year, adjustments are made to the original approved budget as a result of additional funding allocations and service developments. To Month 4/Period 4 the net expenditure budget has increased by £29.411 million. The changes to the gross expenditure and income budgets are analysed in the table below.

Explanation	Changes to Expenditure Budget (£'000)	Changes to Income Budget (£'000)	Net Expenditure Budget Change (£'000)
NHSGGC: Prescribing Core Prescribing Solutions in General Practice Global Sum Contribution 2026/27	(573)	-	(573)
Scottish Government: Primary Care Improvement Plan Community Link Workers 2026/27	1,200	-	1,200
Consultant Geriatrician (Older People)	(22)	-	(22)
Scottish Government: Family Nurse Partnership Expansion (	200	-	200
Scottish Government: Primary Care Improvement Plan Allocation 2026/ 27	21,746	-	21,746
Scottish Government: Harm Reduction, Safer Drug Consumption Facility (The Thistle)	1,173	-	1,173
Scottish Government: Alcohol & Drug Partnership	4,611	-	4,611
NHSGGC: Challenging Behaviour Service - transfer to Primary Medical Services	(55)	-	(55)
Scottish Government: Gambling Levy Allocation 2026/27	927	-	927
Scottish Government: Managed Alcohol Programme Liver Consultant	15	-	15
NHSGGC: Contribution to Health Improvement Salaries	(19)	-	(19)
NHSGGC: World Cup Public Holiday Funding	104	-	104
NHSGCC: Dental - Apremilast Funds	27	-	27
Other: Contribution to Significant Adverse Events Review Staffing from West Dumbarton HSCP	31	-	31
Other: Grant Funding from Cycle Scotland	15	-	15
GCC: Children & Families Salary funding	31	-	31
Total	**29,411**	**-**	**29,411**

4. Transformation Programme and STEP Forward

4.1 The Integration Transformation Board continues to meet to secure the delivery of in-year savings. The overall savings target for 2026/27 is £3.806 million. At this stage of the year, it is anticipated that actual savings realised will be £3.327 million, representing 87% of the target. Part-year implementation will impact on in-year savings and will be reflected within future forecasts. The Integration Transformation Board continues to monitor delivery of these savings and agrees to take actions to ensure delivery of the proposals agreed by the IJB.

The monitoring position includes the year-to-date position in relation to the STEP Forward programme, which is forecast to deliver £10 million in year savings with a further £10 million in place by 1 April 2027. An update on STEP Forward will be provided to the IJB in September. The programme has now completed the first tranche of reviews, with phase 2 also now underway. The first savings have been agreed by the Executive Steering Group, and officers will be seeking Board approval for some decisions at the September Board meeting. The full year forecast position for Step Forward savings will be outlined in the Period 5/Month 5 probable outturn exercise. The position reported in the Period 4 / Month 4 Monitoring assumes the planned phased drawdown of £10 million from reserves to reflect the timing of cash savings being realised, as approved as part of the 2026/27 Budget.

4.2 The unachieved transformation savings target from prior years is £3.912 million. At this stage of the year, 16% (£0.635 million) has been achieved.

4.3 The savings realised are reflected in the overall financial position reported in this monitoring statement.

5. Reasons for Major Budget Variances

5.1 Children and Families

5.1.1 Net expenditure is overspent by £0.831 million.

5.1.2 This position is mainly attributable to employee and placement costs within social work services. These pressures include residential unit staffing (£0.631 million), residential schools purchased placements (£0.254 million) and personalisation costs (£0.147 million). These are partly offset by underspends due to staff vacancies across immunisation, school nursing and the Family Nurse Partnership.

5.2 Adult Services

5.2.1 Net expenditure is overspent by £0.237 million.

5.2.2 The position mainly reflects demand-led pressures within Learning Disability purchased services, particularly Self-Directed Support Options 2 and 3 and Residential Care (£0.696 million), as well as mental health inpatient staffing, including locums (£0.510 million). This is partly offset by Health underspends arising from vacancies across Alcohol and Drug Recovery Services, Learning Disability, Sexual Health, and Specialist Mental Health Services (£0.793 million).

5.3 Older People

5.3.1 Net expenditure is overspent by £0.599 million.

5.3.2 The position reflects significant health pressures within elderly mental health inpatient services, including bank nursing (£2.206 million), locum (£0.220 million), and clinical fellow costs, together with increased hosted services continence product costs and under-recovery of inpatient income. These pressures are partly offset by Council underspends across Self-Directed Support and Supported Living (£0.941 million), Carers Short Breaks (£0.125 million) and Physical Disability services (£0.397 million).

5.4 **Resources**

5.4.1 Net expenditure is overspent by £0.349 million.

5.4.2 The position primarily reflects the phased impact of unachieved Step Forward savings, partly mitigated by the assumed pro-rated drawdown from the £10 million reserves allocation. The position is partly offset by staffing vacancies across Business Administration, Finance, Organisational Development and other support services.

5.5 **Operations and Governance**

5.5.1 Net expenditure is overspent by £0.150 million.

5.5.2 Whilst there is a significant homelessness-related overspend (including Bed and Breakfast expenditure, property rent and repairs costs), these pressures are offset by Home Office asylum funding and the assumption that Glasgow City Council will fund the remaining net homelessness pressure (forecast to be around £56 million in 2026/27).

5.6 **Primary Care**

5.6.1 Net expenditure is overspent by £0.061 million.

5.6.2 Prescribing is currently reporting a small underspend of £0.166 million. Prescribing volumes have been lower than anticipated in the first few months of the year, however projected volume growth forecasts have been held at 2.6% for the full year. Volumes, pricing and the impact of rebates on the full year forecast remain under review. The underlying position includes a Family Health Services pressure (£0.591 million), principally relating to the General Medical Services recharge, partly offset by vacancies and underspends within Health Improvement and Clinical Director Services (£0.364 million).

6. Reserve Balances

6.1 On 1st April 2026 the IJB had a balance of £33.108 million in general reserves. The 2026-27 budget strategy plans to deliver savings of £13.806 million in year, with a further £10 million secured by 31st March 2027, in order to end the year in financial balance. Current projections forecast a balance of £23.108 million in general reserves at the end of the financial year. A hybrid approach has been adopted to meet the funding gap identified, including:

- In year savings from the first tranches of STEP Forward reviews
- Use of general unearmarked reserves to allow time for additional STEP Forward savings to take effect through the year
- The specific savings proposals referenced above relating to the Transformation Programme
- Pressures which will require to be managed within existing budgets.

7. Conclusion

7.1 Net expenditure is £2.133 million higher than budget to date. Services have been tasked with identifying recovery actions with a view to bringing the budget back into balance by 31 March.

8. Recommendations

8.1 The IJB Finance, Audit and Scrutiny Committee is asked to:

a) Note the contents of this report.

Appendix 1

Glasgow City Integration Joint Board

Budget Monitoring Statement to End July/Period 4 2026/27

1. Budget Variance by Care Group

Annual Net Expenditure Budget £000		Actual Net Expenditure to Date £000	Budgeted Net Expenditure to Date £000	Variance to Date £000
180,681	Children & Families	58,778	57,947	831
354,319	Adult Services	115,185	114,948	237
275,533	Older People	80,896	80,297	599
139,509	Care Service	41,844	41,938	-94
72,890	Resources	28,501	28,152	349
91,944	Operations & Governance	41,052	40,902	150
470,401	Primary Care	160,794	160,733	61
1,585,277	**Total**	**527,050**	**524,917**	**2,133**
	Funded By :-			
605,170	Glasgow City Council	160,679	160,679	0
968,666	NHS Greater Glasgow & Clyde	361,161	361,161	0
1,441	Drawdown of Earmarked Reserves	443	443	0
1,575,277		**522,283**	**522,283**	**0**
-10,000	Transfer +to/-from Reserves	**-4,767**	**-2,634**	**-2,133**
0	Net Balance	0	0	**0**

2. Reserve Position at End July /Period 4 2026/27	Balance at 01.04.26 £000	Drawdown to Date/ +Upload £000	Balance at End July / P4 £000
General Reserves	33,108	-2,133	30,975
Earmarked Reserves	55,964	-443	55,521

3. Forecasted Reserve Position at 31st March 2027	Balance at 01.04.26 £000	Net Forecasted Drawdown/ Upload £000	Forecasted Balance at 31.03.27 £000
General Reserves	33,108	-10,000	23,108
Earmarked Reserves	55,964	-22,779	33,185

4. Budget Variance by Subjective Analysis

Annual Budget		Actual to Date	Budget to Date	Variance to Date
£000	**Expenditure**	**£000**	**£000**	**£000**
706,462	Employee costs	232,817	232,837	-20
33,348	Premises Costs	4,980	3,898	1,082
6,205	Transport Costs	2,064	1,856	208
47,114	Supplies and Services	17,600	15,734	1,866
472,248	Third party Costs	143,367	139,199	4,168
71,554	Transfer Payments	38,063	41,330	-3,267
486	Capital Financing Costs	0	0	0
164,987	Prescribing	52,436	52,856	-420
282,636	Family Health Services	100,946	100,359	587
1,785,040	**Total Expenditure**	**592,273**	**588,069**	**4,204**
199,763	**Income**	**65,223**	**63,152**	**2,071**
1,585,277	**Net Expenditure**	**527,050**	**524,917**	**2,133**